



Get Passive Income of \$112/Month With This TSX Stock

Description

Growing macroeconomic concerns have driven the **TSX Composite** downward in 2022. As a result, the main Canadian market benchmark has lost more than 10% of its value in the last seven months. Rising inflationary pressures and the possibility of a looming recession are haunting not only businesses but also end consumers.

Earn \$112 in monthly passive income in Canada

In such a challenging economic environment, everyone wishes to have a reliable source of monthly passive income that could help reduce the inflationary pressure at home to some extent. Thankfully, many [fundamentally](#) strong TSX [dividend stocks](#) can allow you to easily earn monthly passive income, even in difficult economic times. Interestingly, most such stocks have seen a sharp correction in the last few months, making their dividend yields look even more attractive.

Let's talk about one such dividend stock in Canada that you can buy right now to earn \$112 in passive income each month without investing a huge sum of money into it.

A top TSX dividend stock to buy now

While nearly all key sectors have faced the heat of the [market pullback](#) in 2022, the [real estate sector](#) is the third worst affected sector in Canada right now after healthcare and technology. After the recent selloff in the shares of the monthly dividend-paying REITs (real estate investment trusts), I find **Allied Properties REIT** ([TSX:AP.UN](#)) worth buying on the dip to hold for the long term. This Toronto headquartered REIT has a [market cap](#) of \$3.3 billion at the moment, as its stock trades with massive 41% year-to-date losses at \$25.96 per share.

As the COVID-19 pandemic badly affected the entire real estate industry, Allied's earnings growth remained negative in the last couple of years. In 2021, its adjusted earnings [fell](#) by 13.4% year over year to \$3.48 per share after posting a much worse 28% decline in the previous year. On the positive side, the company continues to maintain a positive rental revenue-growth trend.

It's important to note that Allied Properties primarily focuses on distinctive urban workspaces in large cities across Canada apart from urban data centres in Toronto. Given an expected sharp recovery in demand for such workspaces in the near term and its focus future development pipeline, you could expect Allied's earnings growth to turn back positive in the coming quarters, which should help its stock stage a sharp recovery. Based on these expectations, I find this monthly dividend stock [undervalued](#) after its recent declines.

Bottom line

To give you an idea about its track record of dividend increases, Allied's dividend per share has been rising for seven years in a row, including in 2022. At the current market price, this TSX monthly dividend stock offers an attractive annual yield of 6.7%.

If you're a conservative investor, you should always try to minimize risks by diversifying your portfolio. But if you can invest about \$20,000 in Allied Properties REIT right now, its reliable dividends could help you easily earn \$112 in monthly passive income apart from the returns you can expect to receive when its share price appreciate in the long run.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:AP.UN (Allied Properties Real Estate Investment Trust)

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